GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:706
ANSWERED ON:25.02.2009
INTEREST SUBSIDY ON HOUSING LOAN
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to provide subsidy on interest on housing loans to low income groups; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) & (b): Yes,Sir.A new scheme of Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) has been approved by the Government, to provide interest subsidy of 5% on home loans upto Rs. 1 lakh availed by Economically Weaker Sections (EWS) and Low Income Group (LIG). The loan can be taken for acquisition of house or construction of house provided the beneficiary does not already own a house. The nodal agencies for implementation of the Scheme are the National Housing Bank (NHB) and the Housing and Urban Development Corporation Limited (HUDCO), whereas loans for the Scheme can be given by commercial banks as well as housing finance companies.